

Message Text

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E.O. 11652: GDS

TAGS: EGEN, UNGA

SUBJ: 29TH GA WRAP-UP: ECONOMIC ISSUES

1. SUMMARY: ALL MAJOR USG INITIATIVES IN THE ECONOMIC/HUMANITARIAN SPHERE WERE ADOPTED BY THE 29TH GA. OUR EFFORTS TO INDUCE MEANINGFUL DEBATE ON THE CENTRAL ISSUES AFFECTING INTERNATIONAL ECONOMIC COOPERATION--FUEL, FOOD, FERTILIZER, INFLATION AND THE LIQUIDITY CRISIS--WERE LESS SUCCESSFUL. DEBATE AND SUBSEQUENT RESOLUTIONS FOCUSED RATHER ON THE CONTROVERSIAL NEW INTERNATIONAL ECONOMIC ORDER, CERDS, THE EXERCISE OF PERMANENT SOVEREIGNTY OVER NATURAL RESOURCES, THE LEVEL AND DISTRIBUTION OF DEVELOPMENT ASSISTANCE FUNDS. THE GA ALSO DEVOTED CONSIDERABLE TIME TO GIVING DIRECTION TO THE PLETHORA OF MEETINGS OF UN ECONOMIC FORA, INCLUDING A GA SPECIAL SESSION, IN 1975.
END SUMMARY.

2. ALL MAJOR USG INITIATIVES IN THE ECONOMIC/HUMANITARIAN

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SPHERE WERE SUCCESSFULLY NEGOTIATED AT THE 29TH GA. THE

WORLD FOOD CONFERENCE RECOMMENDATIONS AND DECISIONS, INCLUDING THE ESTABLISHMENT OF THE WORLD FOOD COUNCIL, WERE QUIETLY STEERED THROUGH THE ECOSOC AND THE GA WITHOUT ANY SINGLE PART OF THE "ROME PACKAGE" BEING DISPLACED OR DISTORTED. USG FOOD FOLLOW-UP OBJECTIVES WERE REALIZED. WOMEN WERE INJECTED FOR THE FIRST TIME AS A CONCERN OF THE UN AGENCIES' OPERATIONAL AND PERSONNEL PROGRAMMES. THE STRENGTHENING OF THE UN DISASTER RELIEF OFFICE AS RECOMMENDED BY SECRETARY KISSINGER WAS ACCOMPLISHED WITH GENUINE CONSENSUS AGREEMENT BY ALL MEMBER STATES DELEGATIONS. THE WORLD POPULATION PLAN OF ACTION WAS ADOPTED BY THE GA, THUS MAKING WAY FOR THE DEEPER INVOLVEMENT OF THE ENTIRE UN SYSTEM IN ITS IMPLEMENTATION.

3. SOME EARLIER USG INITIATIVES FAILED TO PROGRESS. (1) THE US PROPOSAL MADE AT THE 6TH SPECIAL SESSION REGARDING A GROUP OF EMINENT PERSONS TO STUDY NATURAL RESOURCES, PREVIOUSLY DISCUSSED AT THE 58TH SESSION OF ECOSOC, WAS NOT FORMALLY TAKEN UP BY THE GA. INFORMAL CONSULTATIONS WITH KEY DELEGATIONS INDICATED THAT IT WAS STILL UNPROPITIOUS TO PURSUE THE INITIATIVE SINCE LDCS MAINTAINED THEIR NEGATIVE ATTITUDE TOWARD IT. FORMAL DISCUSSION OF IT WOULD HAVE RESULTED IN A REPETITION OF LDCS ARGUMENT THAT "INDEXATION" SHOULD BE THE CENTRAL THEME OF THE INITIATIVE. (2) US EFFORTS TO RATIONALIZE THE ACTIVITIES OF THE EXISTING UN'S CENTER FOR HOUSING BUILDING AND PLANNING AND THE NEWLY ESTABLISHED INTERNATIONAL HABITAT AND HUMAN SETTLEMENTS FOUNDATION (IHHSF) WERE ONLY MARGINALLY FRUITFUL. OUR EFFORT WILL CONTINUE AT THE UNEP GOVERNING COUNCIL MEETING.

4. THE 29TH GA, TAKING PLACE IN THE WAKE OF THE 6TH SPECIAL SESSION WHICH ADOPTED THE DECLARATION AND PROGRAMME OF ACTION ON THE NEW INTERNATIONAL ECONOMIC ORDER (NIEO), GAVE RISE TO FEARS THAT THE NON-ALIGNED WOULD ATTEMPT ONCE AGAIN TO IMPOSE ITS WILL AND MOVE UNFLINCHINGLY TOWARD THE IMPLEMENTATION OF THE NIEO. THE EARLY URGE OF THE NON-ALIGNED TO "HANG" THE NIEO ON ALL RESOLUTIONS TENDED, HOWEVER, TO DISSIPATE TOWARD THE MIDDLE OF THE SESSION. THIS WAS TRUE, USUN BELIEVES, BECAUSE OF OUR ADAMANT INSISTENCE THE USG RESERVATIONS AND THOSE OF OTHER INDUSTRIALIZED

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DISSENTERS ON THE NIEO BE TAKEN INTO ACCOUNT.

5. THE NIEO CLEARLY HAS NOT DISAPPEARED AS AN ISSUE, NOR HAS IT BEEN GIVEN UP BY THE NON-ALIGNED AND THE MORE MILITANT MEMBERS OF THE G-77 AS THE PRINCIPAL GUIDE FOR FUTURE UN ACTIVITIES. UN ECONOMIC FORA MEETINGS AND THE SPECIAL SESSION IN 1975, WILL, UNLESS TRULY TRAUMATIC DEVELOPMENTS SUPERSEDE THE PRESENT NAGGING GLOBAL ECONOMIC

CRISIS, BE ORGANIZED AROUND THE NIEO PRINCIPLES. THIS FACT, TOGETHER WITH OTHERS TO BE NOTED BELOW, ARE INDICATIVE OF JUST HOW REMOTE MANY OF THE ISSUES DEALT WITH BY THE SECOND COMMITTEE (ECONOMIC AND FINANCIAL QUESTIONS) AT THE 29TH GA ARE FROM ECONOMIC REALITIES AS THE USG PERCEIVES THEM.

6. IT MAY WELL BE TRUE TO SAY IN FACT THAT THE CENTRAL POINT OF TENSION DURING THE SESSION WAS BETWEEN THE 6TH SPECIAL SESSION'S CONTROVERSIAL NIEO AND THE VERY DIFFERENT NEW INTERNATIONAL ECONOMIC ARRANGEMENTS BEING DISCUSSED AND CONSTRUCTED OUTSIDE THE UN.

(A) THE TRULY CENTRAL AND GLOBAL ISSUE OF THE LIQUIDITY CRISIS CREATED BY THE MASSIVE TRANSFER OF RESOURCES TO THE OPEC COUNTRIES, WAS NOT DIRECTLY OR MEANINGFULLY DISCUSSED DESPITE USG ATTEMPTS TO INTRODUCE IT. IMF, IBRD, OECD, AND OPEC EFFORTS TO GRAPPLE WITH THIS ISSUE WERE HARDLY MENTIONED.

(B) UN DISCUSSIONS FOCUSED INSTEAD ON THE OLD AND NOW SOMEWHAT UNREAL PROBLEM OF THE LEVEL AND DISTRIBUTION OF DEVELOPMENT ASSISTANCE FUNDS. LDC SPOKESMEN HOWEVER COMPLETELY SIDESTEPPED THE FACT THAT MOST TRADITIONAL DONORS ARE NOT IN A POSITION EITHER FINANCIALLY OR POLITICALLY TO INCREASE THEIR DONATIONS. THEY ASSIDUOUSLY EVADED POINTING UP THE RESPONSIBILITIES OF THE NEWLY RICH NATIONS IN THIS CONTEXT.

(C) THE CENTRAL RESPONSE OF THE UN TO THE NEW SITUATION CREATED BY THE LIQUIDITY CRISIS REMAINED THE UN SPECIAL PROGRAM FOR THE MOST SERIOUSLY Affected NATIONS. HERE, THE PROLONGED SECOND COMMITTEE DEBATE CENTERED ON SETTING UP THE SPECIAL FUND. DISCUSSION AND THE FINAL RESOLUTION COMPLETELY EVADED CRUCIAL ISSUES SUCH AS (1) THE PROBABILITY THAT THE FUND WOULD BE STILLBORN SINCE NO MAJOR DONOR NATION

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HAS INDICATED ANY INTENT TO CONTRIBUTE TO IT; (2) THE RELATIONSHIP OF THE UN SPECIAL FUND TO OTHER MULTILATERAL ARRANGEMENTS, SUCH AS THE IMF/IBRD JOINT MINISTERIAL DEVELOPMENT COMMITTEE; (3) BILATERAL ARRANGEMENTS BETWEEN THE LARGEST MSAs AND TRADITIONAL OR NEW LENDERS. THE USG DECISION NOT TO BECOME A MEMBER OF THE UN SPECIAL FUND BOARD OF GOVERNORS AT THE VERY END OF THE SESSION MAY WELL HELP TO BRING GREATER PERSPECTIVE ON THIS ISSUE.

(D) THE ENERGY CRISIS, ALTHOUGH MENTIONED BY BOTH THE US AND FRANCE, WAS LESS A TOPIC OF DISCUSSION THAN AN OCCASIONAL OPPORTUNITY FOR POLEMICS. OIL PRODUCERS AND SOME LDCs ALLUDED TO THE ISSUE, BUT ONLY TO SAY THAT INCREASED OIL PRICES WERE NOT THE CAUSE OF INFLATION AND OTHER ECONOMIC DISEQUILIBRIUM. NO NOTE WAS TAKEN OF THE OPEC MEETINGS, NOR OF THE MEETINGS OF THE

INTERNATIONAL ENERGY AGENCY.

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(E) IN GENERAL, THE OPEC PRICING CARTEL WAS VIEWED BY LDC SPOKESMEN AS A "MODEL" FOR PRODUCERS OF OTHER COMMODITIES AND AS THE MEANS TO REDRESS "HISTORIC ECONOMIC INJUSTICES" AND DISEQUILIBRIUM PERPETRATED BY THE INDUSTRIALIZED NATIONS.

(F) THE DECADES-OLD DEBATE ON THE RIGHT OF PERMANENT SOVEREIGNTY OVER NATURAL RESOURCES AND THE EXERCISE OF THAT RIGHT CONTINUED. THE LDC ASSERTION THAT NATIONAL RATHER THAN INTERNATIONAL LAW GOVERNS THE DISPUTES ARISING FROM EXERCISE OF THIS "RIGHT" WAS CONTESTED BY ONLY A HANDFUL OF DEVELOPED COUNTRIES.

(G) INFLATION WAS DEPICTED AS A DISEASE OF INDUSTRIALIZED, WESTERN NATIONS EXPORTED TO THE DEVELOPING WORLD. PRESCRIBED CURES SUGGESTED BY LDC SPOKESMEN WERE (1) CUTTING PROFLIGATE CONSUMPTION IN THE DEVELOPED WORLD, (2) INDEXATION OF KEY COMMODITY AND INDUSTRIALIZED GOODS PRICES AND (3) COMMODITY AGREEMENTS.

(H) GENERAL DEBATE STATEMENTS DID NOT, IN GENERAL,

REFLECT THE TRUE STATE OF NATIONAL OR THE INTERNATIONAL
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ECONOMY. STATES ON THE VERGE OF BANKRUPTCY, SUCH AS ITALY AND BANGLADESH, DID NOT SEE FIT TO INDICATE THE SORRY STATE OF THEIR NATIONAL ECONOMIES, MUCH LESS TO DRAW ANY LINKAGES BETWEEN THE INTERNATIONAL ECONOMIC AND FINANCIAL SITUATION AND THEIR NATIONAL PERFORMANCES.

7. THE VOTE WAS EXERCISED TO A FAR GREATER EXTENT THIS YEAR THAN LAST IN SECOND COMMITTEE. USUN VIEWS THIS AS A HEALTHY DEVELOPMENT: "FRAUDULENT CONSENSUS" DOES NOT SERVE USG OBJECTIVES. FURTHERMORE, AS IN THE CASE OF THE 6TH SPECIAL SESSION AND NIEO, DOCUMENTS ADOPTED WITHOUT VOTE ON WHICH THE US HAS MAJOR RESERVATIONS WERE THE SOURCE OF ENDLESS, TIME-CONSUMING NEGOTIATIONS AND EXPLANATORY STATEMENTS. A VOTE TENDS TO CLEAR THE AIR BY MAKING POSITIONS CLEARER. OF THE 40 SIGNIFICANT RESOLUTIONS CONSIDERED BY THE SECOND COMMITTEE, 12 WERE SUBMITTED TO THE VOTE.

8. VOTING REACHED ITS HIGH POINT ON THE CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES. THE CHARTER, ALTHOUGH DESTINED TO PLAY A ROLE IN FUTURE PROCEEDINGS OF UN ECONOMIC FORA, WILL PROBABLY NOT BE IN THE SAME LEAGUE AS THE IDS OR THE NIEO. THIS IS TURE BECAUSE OF: (1) WEO NEGATIVE VOTES; (2) NON-ALIGNED AMBIVALENCE. CLEARLY MANY LEADERS OF THE G-77 AND NON-ALIGNED IN THE UN WERE COOL TOWARD THE CHARTER. USUN BELIEVES THAT THIS IS TRUE BECAUSE THE NON-ALIGNED DID NOT WISH TO SEE ANY UMBRELLA DOCUMENT DISPLACING THE NIEO AND FURTHERMORE HAD AMBIVALENT FEELINGS ABOUT THE POSSIBLE ROLE OF MEXICO IN THEIR MOVEMENT. IT IS QUITE CLEAR THAT THE CHARTER WILL SUFFER ONLY PERFUNCTORY REVIEW AT THE 30TH AND SUBSEQUENT GA'S IF THE PRESENT LDC ATTITUDE PREVAILS.

9. THE ECONOMIC MET ON AND OFF IN THE COURSE OF THE GA SESSION. ON OF 1ST PRINCIPAL ACTIVITIES, OF MAJOR CONSEQUENCE TO THE UN, WAS APPROVAL OF NEW UN INSTITUTIONS TO DEAL WITH MULTINATIONAL CORPORATIONS. AN INTERGOVERNMENTAL ECOSOC COMMISSION AND A NEW UN INFORMATION AND TECHNICAL ASSISTANCE OFFICE WERE ESTABLISHED.

10. OTHER DELEGATIONS FOLLOWED THE US LEAD IN CALLING FOR GLOBAL CONFERENCES ON WHAT THEY FELT TO BE KEY ISSUES
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IN THE COURSE OF THE SESSION. CLEARLY, MANY DELEGATIONS NO LONGER DEEM THE GA AN APPROPRIATE FORUM TO INITIATE DISCUSSION OF ISSUES IMPORTANT TO THEM. THEY PREFER THE MORE VISIBLE AND CONCENTRATED SPECIAL-CONFERENCE FORUM. THE SHORT AND LONG TERM EFFECTS ON THE UN SYSTEM OF GLOBAL CONFERENCES ALREADY HELD ON ENVIRONMENT, FOOD, POPULATION, AND THOSE TO COME ON WOMEN, WATER, SCIENCE AND TECHNOLOGY, HOUSING AND DESERTIFICATION WILL BE MAJOR. WHILE GLOBAL CONFERENCES CAN PLAY A BIG ROLE IN FOCUSING ATTENTION AND MOBILIZING THE INTERNATIONAL COMMUNITY TO ACTION ON CRUCIAL PROBLEMS, THEY ALSO, UNFORTUNATELY, TEND TO FURTHER UNDERMINE THE LEVEL AND COMPETENCE OF THE REGULAR UN DISCUSSIONS AND DECISIONS ON THE FUNCTIONAL ISSUES INVOLVED. SECONDLY, CONFERENCES OFTEN GIVE RISE TO NEW ORGANIZATIONS WITHIN THE UN FAMILY, AND THUS COMPLICATE THE PROBLEMS OF THE COORDINATION AND FINANCING OF UN ACTIVITIES.

11. THERE WILL BE AN EXTRAORDINARY NUMBER OF MEETINGS OF UN ECONOMIC FORA IN 1975. IN ADDITION TO THE SCHEDULED MEETINGS OF ECOSOC AND ITS SUBSIDIARY BODIES, THERE WILL BE ADDITIONAL AND UNUSUAL MEETINGS DUE TO (1) THE UPCOMING SPECIAL GA SESSION ON ECONOMIC QUESTIONS; (2) THE MID-TERM REVIEW AND APPRAISAL OF THE SECOND DEVELOPMENT DECADE; (3) A SPECIAL MEETING OF THE ECOSOC TO REVIEW THE UN'S AGREEMENTS WITH THE SPECIALIZED AGENCIES; AND FINALLY (4) THE SECOND UNIDO GOVERNING COUNCIL MEETING. MUCH OF THE DEBATE AND MANY OF THE RESOLUTIONS OF THE SECOND COMMITTEE REVOLVED AROUND SCHEDULING AND GIVING INSTRUCTIONS TO THESE FORTHCOMING MEETINGS. IN MOST CASES, THE RESULTS OF THESE DISCUSSIONS WERE SATISFACTORY TO THE USG. THE UNIDO GOVERNING COUNCIL WAS AN EXCEPTION. QUITE CLEARLY THE SHEER NUMBER OF MEETINGS IN THE 12-MONTH PERIOD AHEAD WILL CREATE PROBLEMS.

12. A SEPARATE CABLE WILL DESCRIBE THE DYNAMICS OF THE UN ECONOMIC FORA INCLUDING AN APPRAISAL OF USG RELATIONS WITH THE NON-ALIGNED, THE GROUP OF 77, WEOS AND THE SOCIALIST COUNTRIES.

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